

Long Term Care Insurance

Long Term Care Insurance Contents

Long Term Care Insurance	139
Plan Comparison	142

Long Term Care Insurance

Your health insurance provides for acute care if you are seriously ill or injured. However, if you require long term care for a chronic disability or a long-lasting disease, you may have to rely solely on your income, savings or assets.

An accident or serious illness can result in the need for long term care (LTC) at **any** age. Long term care insurance can assist you if you require this type of care.

Long term care is not covered by:

- Medical insurance
- Disability insurance
- Medicare (to any substantial degree)
- Medicaid, unless your assets have been reduced to the poverty level.

Long term care is expensive, and the cost is rising. The average cost of a home health aide is \$18 per hour, or \$158,000 a year, for 'round-the-clock care.'¹ Nursing home care now averages \$70,080 a year.²

The Employee Insurance Program (EIP) and Aetna, the state's Long Term Care program provider, offer you a choice of Long Term Care (LTC) Insurance plans. These three options are designed to protect your assets from depletion by the cost of long term care.

What is Long Term Care?

Long Term Care is the day-to-day assistance you need when you have a serious illness or disability that may last for an extended period of time, and you are not able to take care of yourself. It includes a wide range of services that can be provided in your home, an adult day-care center, an assisted-living facility, a nursing home or a hospice.

Who can Enroll?

Full-time, permanent employees (individuals working at least 30 hours a week continuously for more than six months a year³) may enroll within 31 days of their hire date without providing medical evidence of good health.

Current full-time, permanent employees may enroll throughout the year with approval of medical evidence of good health.

Spouses of eligible employees may enroll throughout the year with approval of medical evidence of good health. A spouse can enroll even if the employee does not, and premiums can be paid through payroll deduction.

Parents and parents-in-law of active employees may enroll throughout the year with approval of medical evidence of good health. Parents and parents-in-law can enroll, even if the employee does not, and will be billed directly by Aetna.

¹ MetLife Mature Market Institute, 2004

² GE LTC Insurance Nursing Home Survey, March 2002

³ Or active employees who work at least 20 hours per week, at the agency's option.

Active employees, who are retiring, and their spouses, may enroll within 31 days of the employee's retirement date with approval of medical evidence of good health.

Retired employees, spouses of retirees and surviving spouses may enroll throughout the year with approval of medical evidence of good health.

There is a 10 percent discount in premiums if both the employee/retiree and spouse enroll in the Service Reimbursement plans.

LTC Plan Options and Features

You have three LTC plans from which to choose: a disability plan and two service reimbursement plans. All three plans offer:

An expanded list of "activities of daily living" (bathing, dressing, eating, transferring, continence, and toileting). In the disability plan, you qualify when Aetna certifies that either you are unable to perform three of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease. In the service reimbursement plans, you qualify when Aetna certifies that either you are unable to perform two of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease.

Restoration of benefits. If you receive Long Term Care benefits, then recover and no longer need care, your lifetime maximum benefit period is restored to its original amount.

Inflation protection. You may increase your coverage by \$10 every two years, without proof of good health. You may do so even if you are receiving benefits, as long as you have not turned down a previous offer to increase your coverage under the inflation protection provision.

Premium waiver. You do not pay premiums while you are receiving benefits. You will resume payment of your premium when you no longer qualify to receive benefits.

Portability. If you leave your employment, you can continue your coverage by paying Aetna directly, at the same group rates. If you retire, you can continue coverage and have premiums deducted from your South Carolina Retirement Systems benefits. Coverage is also fully portable for your family.

Death Benefit/Return of Contribution. This feature is only available to persons who enroll as active employees and their spouses. The employee's or the spouse's premiums, less any claim dollars paid, can be returned to the beneficiary, subject to these rules:

- For employees, the amount of the refund is reduced by 10 percent a year starting at age 65 or retirement, whichever is later.
- For spouses, the amount of the refund is reduced by 10 percent a year starting at age 65.

At the beginning of the tenth year, because of the yearly reduction in the return of contribution, no additional return of contribution will be payable. If you are receiving benefits at the time of your death, no Return of Contribution is payable.

The plan is tax-qualified. This means if your premium payments plus your other medical expenses exceed 7.5 percent of your gross annual income, then your premiums are deductible, subject to limitations, on your federal tax return.⁴

Disability Plan	The disability plan pays a daily cash benefit that is based on your chosen daily benefit amount (DBA) and where care is received, regardless of charges for services provided. If you enroll in this option, you can choose a DBA from \$50 to \$250, in \$10 increments. To qualify for benefits under the disability plan, you must be unable to perform three of the six activities of daily living (bathing, dressing, eating, transferring, continence, toileting,) or have a severe cognitive impairment, such as Alzheimer's disease.
Service Reimbursement Plans	In the service reimbursement plan, you submit receipts for the services you receive, and you are reimbursed up to your selected daily benefit amount (DBA), based on your selected option and where care is given. You can choose a DBA from \$50 to \$350, in \$10 increments. To qualify for benefits under the service reimbursement plans, you must be unable to perform two of the six activities of daily living or have a severe cognitive impairment such as Alzheimer's disease. Two service reimbursement options are available. The first option pays up to 50 percent of your DBA for respite care, alternate care and community-based care. The second pays up to 100 percent of your DBA for the same services.

⁴ As always, please consult with your tax advisor regarding your personal tax status.

Plan Comparison

	Disability Plan (Option #1)	Service Reimbursement Plan (Option #2)	Service Reimbursement Plan (Option #3)
Daily Benefit Amount (DBA)	\$50 - \$250 in \$10 increments.	\$50 - \$350 in \$10 increments.	\$50 - \$350 in \$10 increments.
Lifetime Maximum Benefit Amount	5 years x DBA	5 years x DBA	5 years x DBA
Nursing Facility or Hospice Care	You receive 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Assisted Living Facility Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Community-based Services	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Informal Care	You receive 50% of your Daily Benefit Amount	25% of your Daily Benefit Amount up to 100 days each calendar year	25 % of your Daily Benefit Amount up to 50 days each calendar year
Alternate Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Transitional Care	You receive 50% of your Daily Benefit Amount.	You receive 3 times your Daily Benefit Amount.	You receive 3 times your Daily Benefit Amount.
Informal Caregiver Training	You receive 50% of your Daily Benefit Amount.	You receive the lesser of 100% of the actual expenses or 3 times your DBA.	You receive the lesser of 100% of the actual expenses or 3 times your DBA.
Respite Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount for 21 days each calendar year.	You receive your actual expenses, up to 100% of your Daily Benefit Amount for 21 days each calendar year.

Changing Your Coverage Level

If you are enrolled in the plan, you have two opportunities to increase coverage to keep up with the rising cost of care at home and in a nursing facility.

1. **Inflation protection.** You may increase your coverage by \$10 every two years, without proof of good health. You may do so even if you are receiving benefits, as long as you have not turned down a previous offer to increase your coverage under the inflation protection provision.
2. As long as you are not receiving long term care benefits, you can change to a higher-level option at any time with approval of medical evidence of good health. Upon approval, you may purchase additional coverage, up to the

plan's current daily benefit maximum. The premiums for the additional coverage will be based on your age at the time of purchase.

Plan members may decrease coverage levels at any time. The change becomes effective the first of the month after Aetna receives your request.

Premiums

Premium charts for the plans are on pages 220-222.

Claims

To file a claim, call Aetna's Long Term Care Hotline at 800-537-8521. After you complete a claim form, Aetna will assign a case manager to your claim.

When Coverage Ends

You can cancel coverage at any time. When you leave your job with one eligible state group employer and become employed by another eligible state group employer without a 15-day break in service, please inform your benefits administrator. You will not be considered a new hire, and your coverage will remain the same as it was with your previous employer. EIP will send a transfer form to the benefits administrator at your new employer.

If you leave your job with one eligible state group employer and do not become employed by another eligible state group employer, you may continue your coverage and be billed directly by Aetna.

If you retire, you can continue coverage and have premiums deducted from your South Carolina Retirement Systems benefits.

Appeals

If your or your covered family member's claim for benefits is denied, you may appeal the decision by writing to Aetna and requesting a review. For more information about Aetna's appeals process, contact Aetna at 800-248-0591.

For More Information

This section of the *Insurance Benefits Guide* is a brief overview of the Long Term Care Insurance Plan. If you are not enrolled in the plan and want more information, if you want to receive an enrollment packet or if you are enrolled and want information about increasing your coverage, contact your benefits administrator, EIP or log on to Aetna's Web site at www.aetna.com/group/southcarolina.

